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ARIZONA CORPORATION COMMISSION

November 4, 2005

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J. Scott Rhodes
Jennings, Strouss & Salmon, P.L.C.
The Collier Center, 11th Floor
201 East Washington Street
Phoenix, Arizona 85004-2385

RE: West End Water Company – Application for Extension of its Certificate of Convenience and Necessity (CC&N) Docket No. W-01157A-05-0706
INSUFFICIENCY LETTER

Dear Sir:

In reference to the above mentioned application filed on October 5, 2005, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Based on the information provided in the application, West End does not have adequate production and storage capacity to serve its existing customer base. Please explain how West End plans to develop the additional capacity needed to serve growth in its existing service area plus the expected 443 new connections in the requested area.
2. There is no engineering plan included in the application that shows how West End intends to extend service to the requested area. Please provide a set of design plans for the proposed water facilities. The plan should include the proposed water source, distribution facilities and show the site map of the proposed water treatment plant. If final design plans are not available, please provide preliminary plans.
3. Please provide an estimate of the water facilities costs necessary to serve the proposed CC&N extension area. The cost should include a description of the major components with the cost of the component (i.e., wells, number and size of storage tanks, etc.). The method of financing for the major components should be described in as much detail as possible.
4. The Utilities Division's CC&N map shows that the requested area is adjacent to Beardsley Water Company's service area. However, there is no information in the application to show that West End Water Company is better positioned to be the water provider in the requested area compared to Beardsley Water Company. Please explain how it is in the public interest to grant this application.

5. How many water systems does West End Water Company have?
6. Utilities Division Staff ("Staff") is unable to determine whether or not the Water Use Data Sheet submitted with the application is for the water system that would serve the requested area. Please explain whether or not the water use data provided is for the appropriate system. Please note that the water use data provided should be for the water system that would be extended to serve the requested area.
7. The requested areas are within the Phoenix Active Management Area. Please provide a copy of the Arizona Department of Water Resources ("ADWR") Designation of Assured Water Supply or Certificate of Assured Water Supply for the CC&N area requested. If none of these are available, please provide a copy the ADWR's Physical Availability Determination. If a determination of Assured Water Supply has not been obtained from ADWR, please inform Staff of the status of the application for that determination.
8. Please provide the requests for service for the extension area.
9. Please provide a copy of the Arizona Department of Environmental Quality's Approval to Construct the water facilities to serve the proposed extension area. If the Approval to Construct has not been issued, please inform Staff of the status of the application for the Approval to Construct.
10. Please provide a copy of the Maricopa County franchise agreement that includes the proposed extension area. If the franchise agreement has not been issued, please inform Staff of the status of the application for the franchise agreement.
11. Please provide any other information which will allow the Commission to analyze and conclude that the Company has sufficient water production capacity, or can develop enough drinking water capacity to service the existing and future demands from the proposed CC&N extension area.

Staff would like to use this opportunity to bring the following to your attention:

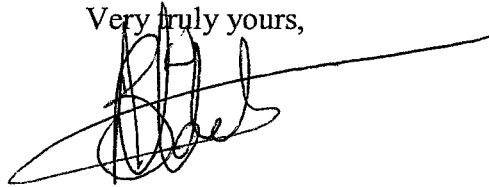
- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

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Please file one original and thirteen copies of your response to this Insufficiency Letter with Docket Control.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 or Dorothy Hains at 602-542-7274.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Blessing N. Chukwu', with a long horizontal line extending to the right.

Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Vicki Wallace